

taskforce that the G-7 be enlarged to include the Soviet Union and a developing country such as Brazil. This suggestion may be premature or not feasible in the short term. Nevertheless, we are convinced that, for action on the debt to be truly effective (i.e., lasting and global), we can not afford the luxury of presuming that a handful of Western nations will determine the fate of the planet.

G. Joining Actions on Debt, Development and Trade

If we care about making a difference, Canadian policies on Third World debt should be joined to other elements of our foreign and domestic policies. This has to go beyond rhetoric to begin to eliminate the inconsistencies which exist in practice. Dr. David Pollock observed that the creditor governments always seem to be ready with economic advice for developing countries, but even when the adjustment effort is made, usually at a very high price, the flows of financial assistance to make it work are seldom forthcoming from the West. There is a large commitment-credibility gap which has undermined progress towards recovery in both Africa and Latin America. **The need for more external aid may not be the most important part of a solution in many debtor countries, but the issues of aid quantity and quality should not be minimized either. At the same time, Canadian ODA used, both bilaterally and multilaterally, to support economic adjustment by debtor countries must be subject to a Canadian values-based conditionality. This may be an area for further investigation by the new International Centre for Human Rights and Democratic Development. CIDA should also explore ways in which aid money might appropriately be used to support development-oriented debt reduction transactions.**

Even more important to developing countries than improving ODA transfers, is their crucial long term stake in a better international trading environment. We have to act on the fact that continued protectionism in the North, and instability on world markets for their principal products, makes it virtually impossible that many countries will be able to service their debts, much less finance needed investments in human resources and economic diversification. We were reminded of the major inequities and double standards which persist by Bertram Collins, Coordinator of the United Nations Program of Action for African Economic Recovery and Development (UN-PAAERD). For example, donors preach reliance on international market forces but their own producers are highly subsidized. Debtor countries are urged to boost exports while the barriers to their entry into developed-country markets, such as the Multifibre Agreement (MFA), remain in place. Moreover, the pressure to export can become a "catch-22" by driving down prices, or it can divert scarce resources from investment in areas of pressing domestic need. In turn, as countries become poorer and more desperate, they are less able to buy goods and services from us. In the end we all suffer, but the poorest suffer most.